BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: Equitable Production Company

2. 4

DIVISION OF GAS AND OIL DOCKET NO. VGOB 89-0126-0009-24

RELIEF SOUGHT: MODIFICATION OF NORA COALBED GAS UNIT NOS.: BS 42 (VC-505893), **BU 41** (VC-536421).

AFFECTED UNITS: (See Attached Exhibit A)

APPLICATION

- 1. <u>Applicant and its counsel:</u> Applicant is Equitable Production Company 1710 Pennsylvania Ave., Charleston, West Virginia, 25302, (800) 926-1759. Applicant's Counsel is James E. Kaiser 220 Broad Street, Suite 210, Kingsport, TN 37660 (423) 578-3838.
- 2. Relief sought: (1) Modification of the Nora Coalbed Methane Gas Field Rules, to allow one additional coalbed gas well to be drilled within each of the 58.77 acre Nora Units identified above. (2) For an administrative order providing that additional well permits may be issued in the Nora Field after this application is filed and while it is pending.
 - 3. Legal authority: 4 VAC 25-160-50 and § 45.1-361.20 of the Code of Virginia.
- 4. <u>Proposed provisions of order sought:</u> That one additional coalbed methane gas well may be drilled in each of the above referenced Nora Units; that the second well be located at least 600 feet from the nearest coalbed methane well; (and that production/royalties from each coalbed methane well drilled in the said Units shall continue to be allocated solely to the owners and claimants of and to the coalbed methane within the Unit in which the well is located.)
- 5. <u>Type of wells and field:</u> Coalbed methane frac wells within the portion of the Nora Coalbed Gas Field described above, and as depicted in the attached Exhibit A.
- **6. Formations subject to application:** All coal beds and coal seams including all Pennsylvania aged coals from the top of the Raven, but not limited to Jawbone, Greasy Creek, C-Seam, War Creek, Beckley, Lower Horsepen, X-Seam, Poca 6, Poca 5, Poca 3, Poca 2, and any unnamed coal seams and other associated formations known as the Nora Coalbed Gas Field.
 - 7. <u>Description of interest/claim of persons being notified:</u> Coalbed methane.
 - 8. Estimated ultimate recovery in each Nora Unit identified above: 525 MMCF
 - 9. Plat: See Exhibit A annexed hereto.

10. The boundaries and acreage affected: see Exhibit A annexed hereto.

11. Attestation: The foregoing application to the best of my knowledge, information and belief is true and correct.

Equitable Production Company

James E. Kaiser

220 Broad Street, Suite 210 Kingsport, TN 37660

(423) 578-3838

AFFIDAVIT OF DUE OF DILIGENCE

COMMONWEALTH OF VIRGINIA COUNTY OF DICKENSON

I, James E. Kaiser, after being duly sworn upon oath, state as follows:

- I am responsible for the notification process required by VA. Code Ann. § 45.1-361.19 and VR 480-05-22.2 § 4.
- 2. That Equitable Production Company has exercised due diligence in attempting to locate and notice all owners and claimants who are unleased and/or who were not previously pooled by prior order(s) of the Virginia Gas and Oil Board regarding the Nora Coalbed Gas Field, all as required by Va. Code Ann. § 45.1-361.19 and VR 480-05-22.2.
- 3. That on <u>March 14, 2008</u> a true and correct copy of the Notice of Hearing with Exhibits will be mailed, via certified mail return receipt requested, to all owners and claimants listed in Exhibit B for whom mailing addresses were then available.
- 4. That Equitable Production Company will continue to exercise due diligence in attempting to locate and identify the names and/or addresses of any unknown of unlocatable parties and, if located of identified, will notify them of Equitable Production Company's application.

I have read the foregoing, and the information given above is true and correct to

the best of my knowledge and belief.

James E. Kaiser

Counsel for

Equitable Production Company

ACKNOWLEDGMENT

STATE OF TENNESSEE

COUNTY OF SULLIVAN

TAKEN, SUBSCRIBED AND SWORN to before me this _______ day of _______, 2008.

Susan Peterson, Notary Public PUBLIC

My commission expires: November 12, 2008.

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: Equitable Production Company DIVISION OF GAS AND OIL

DOCKET NO. 89-0126-0009-24

RELIEF SOUGHT: MODIFICATION OF

NORA COALBED GAS FIELD

AFFECTED UNITS: Multiple (See Attached Exhibit A)

NOTICE OF HEARING

HEARING DATE: April 15, 2008

PLACE: Southwest Virginia Higher Education Center

Campus of Virginia Highlands Community College

Abingdon, Virginia

TIME: 9:00 a.m.

COMMONWEALTH OF VIRGINIA:

To: See Exhibit "B" attached hereto:

- 1. **Applicant and its counsel:** Applicant is Equitable Production Company, 1710 Pennsylvania Ave., Charleston, West Virginia, 25302, (800) 926-1759. Applicant's Counsel is James E. Kaiser, 220 Broad Street, Suite 210, Kingsport, TN 37660, (423) 578-3838.
- 2. **Relief sought:** (1) Modification of the Nora Coalbed Methane Gas Field Rules, to allow one additional coalbed gas well to be drilled within each of the 58.77 acre Nora Units identified above. (2) For an administrative order providing that additional well permits may be issued in the Nora Field after this application is filed and while it is pending.
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 - 7. **Description of interest/claim of persons being notified:** Coalbed methane.
 - 8. Estimated ultimate recovery in each Nora Unit identified above: 525 MMCF
 - 9. Plat: See Exhibit A annexed hereto.
 - 10. The boundaries and acreage affected: See Exhibit A annexed hereto.
- 11. <u>Attestation:</u> The foregoing notice to the best of my knowledge, information and belief is true and correct.

NOTICE IS FURTHER GIVEN that this cause has been set for hearing and the taking of evidence at the time and place first stated above and that notice will be published as required by law and the Rules of the Virginia Gas and Oil Board.

NOTICE IS FURTHER GIVEN that you may attend this hearing, with or without an attorney, and offer evidence or state any comments you have. For further information or a copy of the application and any exhibits thereto, you may contact the Virginia Gas and Oil Board, State Oil and Gas Inspector, Department of Mines, Minerals and Energy, Division of Gas and Oil, P.O. Box 1416, Abingdon, Virginia 24410, (276) 676-5423 or the Applicant at the address shown below.

Equitable Production Company

By:

James E. Kaiser

220 Broad Street, Suite 210

Kingsport, TN 37660

(423) 578-3838

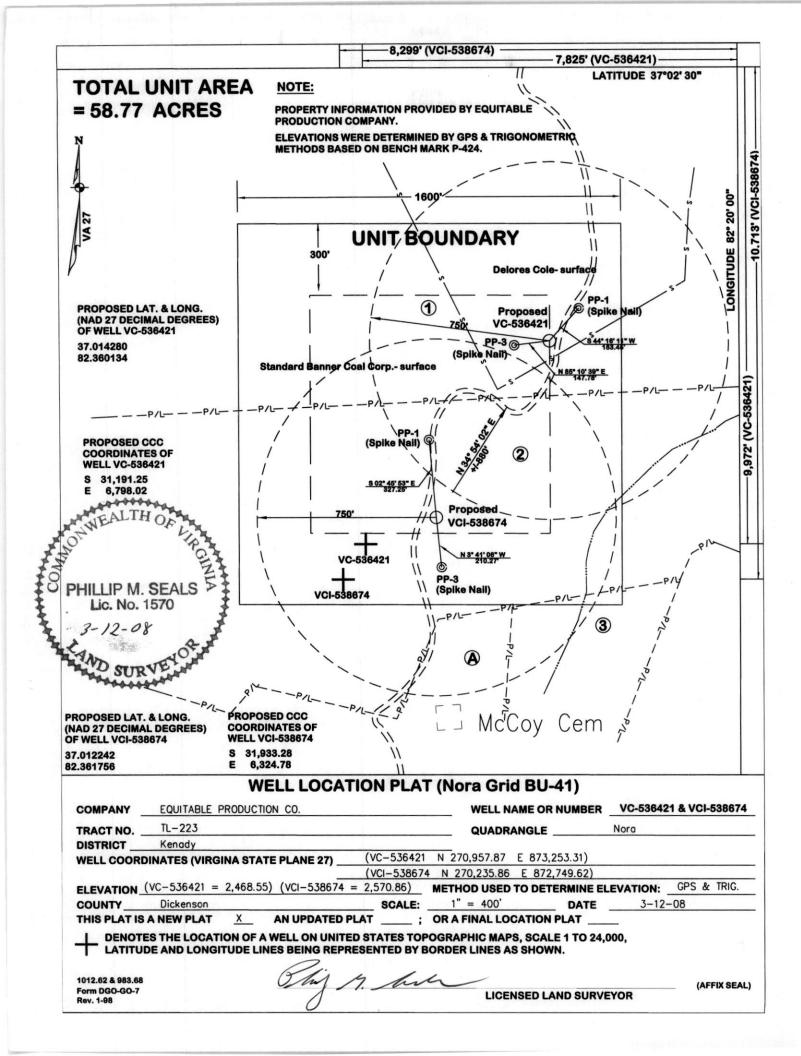


EXHIBIT PL-1 Property Ownership Information for EPCO Well # VC-536421 & VCI-538674

1

LEASE NO. 906889L/TL-223
W. T. GOODLOE T-99
1005.00 ACRES
STANDARD BANNER COAL CORP.coal, oil, gas & cbm
WELLMORE ENERGY COMPANY, LLC.- coal lessee
GAS 27.40 AC. 46.62%

2

LEASE NO. 906889L/ TL-223
ELIJAH RASNICK T-38
171.31 ACRES
surface, oil, & gas
ELIJAH RASNICK T-90
217.015 ACRES
coal
STANDARD BANNER COAL CORP.surface, coal, oil, gas & cbm
WELLMORE ENERGY COMPANY, LLC.- coal lessee
GAS 31.06 AC. 52.85%

3

LEASE NO. 906889L/TL-223
ELIJAH RASNICK T-90
217.015 ACRES
STANDARD BANNER COAL CORP.- coal (cbm)
WELLMORE ENERGY COMPANY, LLC.- coal lessee
UNLEASED
DWIGHT D. McCOY, et al.
8.631 ACRES
surface, oil & gas (cbm)
GAS 0.31 AC. 0.53%

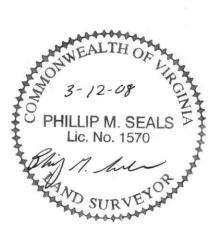
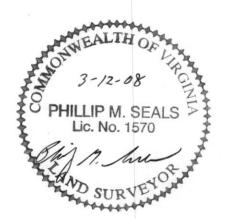


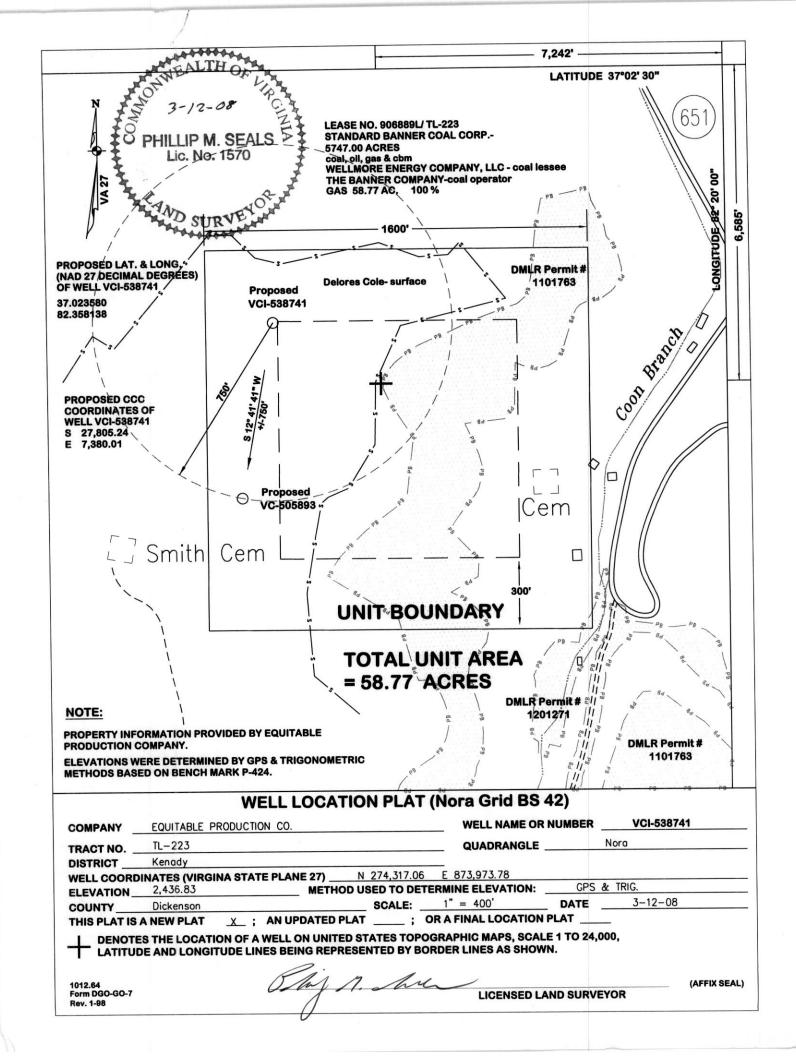
EXHIBIT PL-2

Coal Ownership Supplement Sheet For EPCO Well # VC-536421 & VCI-538674 Showing Coal Ownership outside the Unit Boundary and Within a 750 Ft. Radius of the Well Location



LEASE NO. 906889L/ TL-223
ELIJAH RASNICK T-90
217.015 ACRES
STANDARD BANNER COAL CORP.- coal (cbm)
WELLMORE ENERGY COMPANY, LLC.- coal lessee
UNLEASED
CHARLES KENNETH McCOY
8.41 ACRES
surface, oil & gas (cbm)





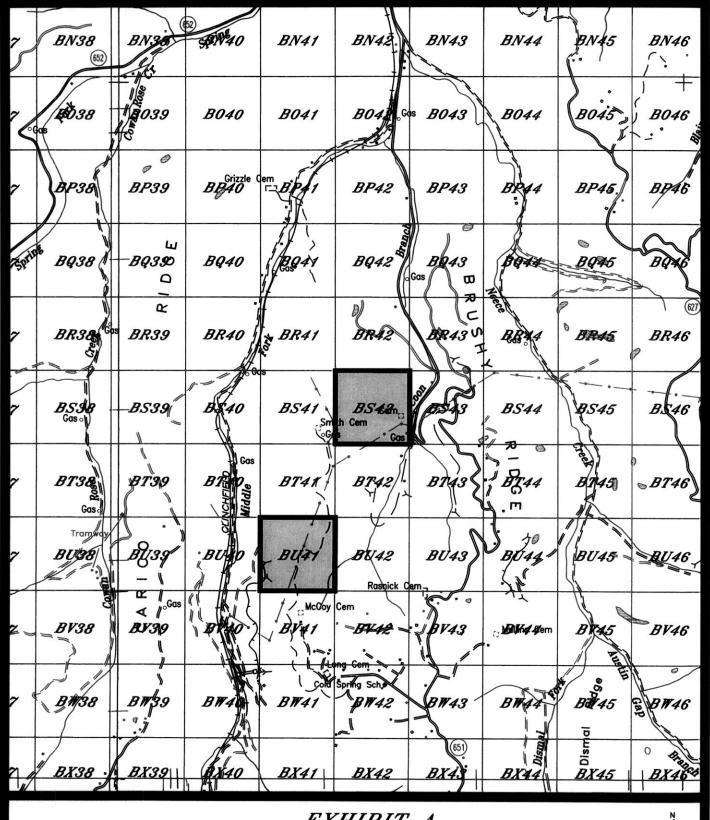


EXHIBIT A

MIDDLE FORK

INCREASED DENSITY DRILLING NORA FIELD

2000 ft 40

EXHIBIT "B" Increased Density Middle Fork (BS 42, BU 41)

Standard Banner Coal Corp P.O. Drawer 750 Wise, VA 24293 c/o Mike Clisso

Wellmore Energy Company 1005 Glenway Ave Bristol, VA 24202 ATTN: Brian Sullivan

Wellmore Coal Company Blackwatch Division P. O. Box 458 Big Rock, VA 24603 ATTN: Bill Fuller

Rose Mary McCoy Sturgill P.O. Box 3092 5258 Clearwater Road Wise, VA 24293

James R. McCoy 1262 Tulip Circle Sevierville, TN 37862

Dwight D. McCoy & Bonnetta McCoy 489 Cold Springs Road Nora, VA 24272

Norma McCoy McGill 1143 Hunters Lane, Lot 28 Nashville, TN 37207

Alice Kay McCoy Garrett 100 Kingston Road Blountville, TN 37617

Harold G. McCoy & Barbara A. McCoy 662 Cold Springs Road Nora, VA 24272

Joreen Hammons 5707 W. Kesslers Crossing Fredericksburg,VA 22407

EXHIBIT "B" Increased Density Middle Fork (BS 42, BU 41)

Charles Kenneth McCoy & Patricia A. McCoy 847 Cold Springs Road Nora, VA 24272

Laura Gerlene McCoy Taylor 21014 Lovers Lane Bristol, VA 24202-4228

James P. Herring & Debra A. Herring 1431 E. State St. Lot #6 Bristol, TN 37620

Danny Kermit McCoy 21014 Lovers Lane Bristol, VA 24202-4228

Pam Walker Day 1240 Flatwood Road NW Ramsey, IND 47166

Ferrell Doug Reed &
Deirdre Leann Reed
P.O. Box 2007 (mailing)
Clintwood, VA 24228
6437 DC Caney Ridge Rd. (physical)
Coeburn, VA 24230

Carlotta Reed Hawkins & Ross E. Hawkins Holly Brook Trailer # 10 Clintwood, VA 24228

Rita Reed Rose P.O. Box 1631 Clintwood, VA 24228

Gina (Regina) Reed Patterson & Ralph Patterson P.O. Box 2003 Clintwood, VA 24228

Brownlow Grizzel Rt. 1 Box 194 Nora, VA 24279

EXHIBIT "B" Increased Density Middle Fork (BS 42, BU 41)

Mina Lois Summerton & Robert Lowell Summerton 401 Vine Street Ashland, OH 44805

Joyce Nell Phillips Cloud 989 N Arthur Street Fresno, CA 93728

Ruth Phillips 201 Vine Street Ashland, OH 44805

Larry Phillips & Jeweleen Phillips P.O. Box 366 Nora, VA 24279

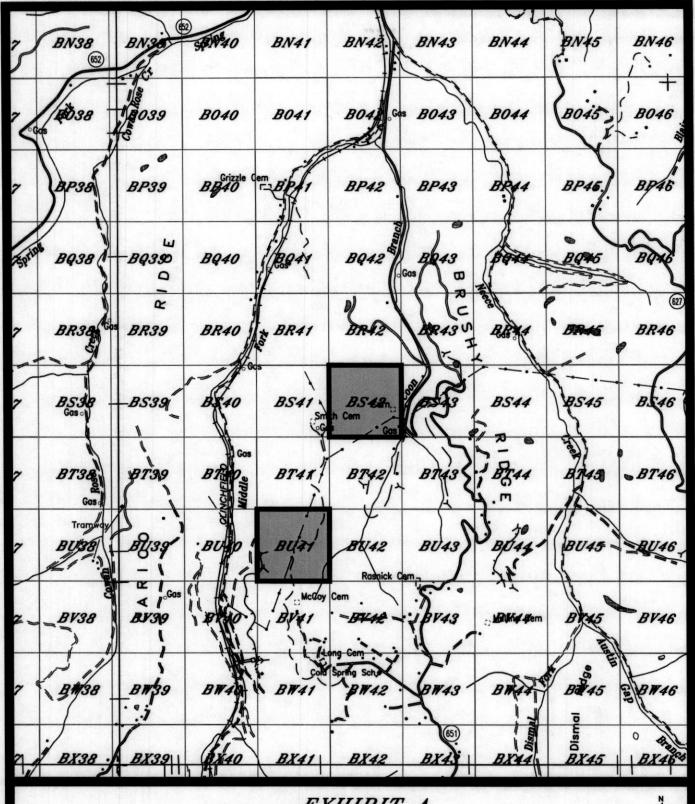


EXHIBIT A

MIDDLE FORK

INCREASED DENSITY DRILLING NORA FIELD